



IN THE UNITED
STATES PATENT AND TRADEMARK OFFICE BEFORE THE
BOARD OF
PATENT APPEALS AND INTERFERENCES

RECEIVED
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TC 1700/3

In re Application of:

Sheppard
Serial No.: 09/747,529
Filed: December 22, 2000

For: JACQUARD WOVEN
TEXTILE WITH GRAPHIC
IMPRESSION AND A
METHOD OF MAKING THE
SAME

Group Art Unit: 1771
Examiner: Befumo, Jenna-Leigh
Appeal No.:

Commissioner for Patents
Washington, D.C. 20231

BRIEF OF APPELLANTS

This is an appeal from the final rejection of the Examiner dated January 23, 2003 rejecting Claims 21-36, all claims currently pending in the case. The requisite fee set forth in 37 C.F.R. §1.17(c) accompanies this Brief.

REAL PARTY IN INTEREST (37 C.F.R. §1.192(c)(1))

Inventor James M Sheppard has assigned all his rights and interests in the current invention to Devant Ltd., a North Carolina Corporation. As such, Devant Ltd. is the real party in interest in this case. Mr. Sheppard is the President of Devant Ltd.

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RELATED APPEALS AND INTERFERENCES (37 C.F.R. §1.192(c)(2))

There are no other co-pending applications or appeals that need to be considered by the Board in this case.

STATUS OF CLAIMS (37 C.F.R. §1.192(c)(3))

The application was filed on December 22, 2000 claiming priority under 37 C.F.R. § 1.78(a)(4) of U.S. Provisional Application No. 60/173,275 filed on December 28, 1999. The application was originally filed with 20 claims of which two (2) were independent claims (Claims 1, and 16).

All of the claims were rejected in the Examiner's first Office Action of October 4, 2002.

An Examiner interview was conducted on November 6, 2002 where the Examiner suggested changing the claims to product-by-process claims to more clearly define the structure of the finished product.

In Applicant's response dated November 18, 2002, all of the original claims 1-20 were cancelled, and new claims 21-36 were added in light of the Examiner's comments during the interview. Claims 21 and 29 were the only two independent claims that were added.

In the subsequent Office Action of January 23, 2003, which was made final, the Examiner rejected all claims 21-36.

The status of the claims is as set out in Examiner's Final Rejection dated January 23, 2003 and is as follows:

Allowed claims—none

Claims objected to—none

Claims rejected—21-36.

STATUS OF AMENDMENTS (37 C.F.R. §1.192(c)(4))

An amendment responding to the Final Rejection and asking for reconsideration was filed on March 31, 2003. In the subsequent paper dated April 1, 2003 it was stated that this amendment was considered, but the Examiner found it unpersuasive.

SUMMARY OF INVENTION (37 C.F.R. §1.192(c)(5))

In the weaving of terry toweling, three series of yarns are employed: (a) pile warp which produces the loops for the pile surface (b) ground warp from which the pile warp projects and (c) weft which binds the two warps together.

Jacquard weaving is a well-known process that can be employed for creating thick, luxurious pile textile items capable of having a velour or looped terry nap. This weaving process employs two different colors in the linear band of the warp filaments when fabricating the textile. See Specification page 2 paragraph 3. Colors and patterns in a jacquard article are restricted to the two colors employed in a given linear direction of the woven article. Any pattern of color 1 that is woven into one side of the article with a background of color 2 is repeated on the reverse side of the article but with a reversed color scheme, i.e., a pattern of color 2 and a background of color 1. This limits the utility for these types of articles, since many designs and logos cannot be adequately reproduced within the confines of the jacquard two-color scheme.

Printing processes on jacquard fabrics have been limited to preprinting the warp filaments with an elongated vertical pattern such that when woven, a jacquard article with more than 2 colors can be achieved. This process requires elaborate computer controlled printing onto the filaments, and very precise monitoring of the weaving process. Printing a pattern post-weave on an article has been employed in non-jacquard situations, but this results in an article that is largely limited to a single color on the nonprinted side of the

article. Printing on the reverse side of the non-jacquard article is largely prohibited due to the likelihood that the separately printed images on opposite sides of the article will bleed through the article and disfigure the images on both printed sides. Post printing also has the undesirable side effect of decreasing the absorbency of the towel.

Applicant has recognized the deficiencies of both the jacquard weaving process, namely the limitation of a two-color scheme in a linear band, and the traditional printing process (wherein the finished article is limited to a single color in the unprinted area) and has created the novel "Edge Towel." This article employs jacquard weaving to create an article with a central light colored area, surrounded by a dark border. Due to the jacquard process, the reverse side of the article is a dark colored central area surrounded by a light colored border. A design can be printed in the light colored central area of the first side. The dark colored border surrounding the light central area is capable of masking any printed pattern that might overlap onto the border from the central area. This eliminates the need for precise alignment and monitoring that is mandatory in the preprinted filament process. Likewise, The dark central area on the reverse side of the article is capable of masking any potential bleed through of the printed design on the light colored central area of side one. This allows the applicant to apply the printed image so as to result in a graphic that is more intensely colored than woven articles that are limited to a single front and rear color.

Additionally, printing on a jacquard article gave the unexpected result of producing an image that was more crisp and sharp than other towels. The inventor attributes this surprising result to the increased density of the pile loops on a jacquard article as compared to other woven articles. Thus, viewing a printed image on a jacquard fabric is not unlike watching high definition television: the picture is more clear and sharp than the picture available on the alternative.

ISSUES (37 C.F.R. §1.192(c)(6))

The Examiner has rejected claims 21-36 under 35 U.S.C. §103(a) as being unpatentable over Hobson (4,259,994) in view of Carpenter (5,983,952). This is the only rejection of the claims. Therefore, the issues to be decided in this appeal are the following:

1. It is the Examiner's position that the Hobson patent discloses a patterned fabric comprising a printed design, and alternating plain terry sections and floral design sections. The floral designs are produced by printing the design onto the wrap yarns prior to weaving. Carpenter et al. disclose that many attempts have been made to incorporate printed patterns onto woven fabrics, and that this combination of printed and woven designs offers the ability to produce fabrics containing many different patterns and colors that have a unique and distinctive appearance. From this, the Examiner concludes that it would be obvious to one of ordinary skill in the art to choose various printed designs, as well as choose where to place the printed image on the Hobson product to create various printed products that are visually and aesthetically pleasing to customers.

2. The Examiner's position is that Applicant's declaration under 37 CFR 1.132 is insufficient to overcome the rejection of claims 21-36 based upon Hobson and Carpenter et al. because the affidavit fails to provide hard evidence which established the claimed product fills a long felt need or resulted in commercial success.

GROUPING OF CLAIMS (37 C.F.R. §1.192(c)(7))

As to the rejection applied against claims 21-36 (35 U.S.C. §103(a)), it is the applicant's intention that the rejected claims stand or fall together.

ARGUMENT (37 C.F.R. §1.192(c)(8))

Issue 1—The rejection of Claims 21-26 under 35 U.S.C. §103(a) as being unpatentable over Hobson (U.S. Pat. No. 4,259,994) in view of Carpenter et al. (U.S. Pat. No. 5,983,952).

Hobson discloses printing on unwoven side-by-side yarns certain desired patterns. An elongated pattern is printed onto unwoven side-by-side yarns. Those yarns are then wound on a beam and then the beam is taken to a loom where the textile is woven. Precise control over the tension of the yarns is required to accurately reproduce the image preprinted on the yarns when the yarns are woven into the finished textile article. Carpenter et al. disclose applying a printed pattern to jacquard woven fabric.

The Examiner sets forth many of the features of both Hobson and Carpenter et al. and concludes that it would have been obvious to one of ordinary skill in the art to chose various printed designs, as well as chose where to place the printed image on the Hobson product to create various printed products which are visually and aesthetically pleasing to consumers. This rejection is respectfully traversed for the following reasons.

Claims 21 and 29 are the independent claims. Attached table 1 sets forth the elements of both claims 21 and 29 and views these with respect to the rejection of Hobson vs. Carpenter. Claim 21 starts by calling for weaving a towel on a jacquard loom using at least 2 different colors. Hobson teaches away from using jacquard looms in column 2, line 18. Carpenter, on the other hand has a jacquard loom as item 26. It is unclear how the Examiner intends to combine these references since Hobson teaches away from using a jacquard loom and yet Carpenter teaches using a jacquard loom. These teachings are like oil and water and are not meant to be mixed.

Claim 21 calls for a border having a first color that is woven adjacent each edge on one side of the towel. Neither Hobson nor Carpenter has this feature. The Examiner notes that Hobson has a product which can have blue floral "borders" on one side and gold floral "borders" on the opposite side. However, these are not borders. These are merely stripes. A border is something that goes continuously around the entire edge of the product, as clearly set forth in Claim 21. Claim 21 states that the border is adjacent "each edge". It is clear that the floral stripes of Hobson are only adjacent 2 edges, but are not adjacent the third and fourth edge of a two-dimensional product. Furthermore, there

is no way one skilled in the art can modify Hobson or Carpenter and place a "border" on all edges without totally ignoring the teachings of these references.

Claim 21 continues by stating that a border having a second color is adjacent each edge of the towel on its other side. Again neither Hobson nor Carpenter has this for the same reason set forth above, i.e., Hobson/Carpenter teaches stripes but not borders adjacent "each edge" of the towel.

Claim 21 continues by stating that the towel has a central area within the borders on both sides of the towel. While there is central area in any two-dimensional product, this central area claimed in Claim 21 must be within the borders. The lack of borders by both Hobson/Carpenter makes the location of the central area on the towel unclear to those skilled in the art.

Claim 21 continues by stating that the central area on one side is in a first color while the central area on the other side is in a second color. Neither Hobson nor Carpenter teach that the color on a towel is such that the central area on a first side and the borders on the second side are of one color, while the central area of the second side and the borders of the first side are of a second color. This is how Devant sets up the Jacquard loom to make the Edge towel.

Lastly, Claim 21 calls for forming a graphic impression in the central area on one of the sides. Neither Hobson nor Carpenter forms a graphic impression in the central area of a woven product. As stated clearly in the response of November 20, 2002 both Hobson and Carpenter print a design on the warp fibers only of a product to be woven. This does not teach Applicant's invention.

By utilizing the color scheme in claim 21, other objects of the invention can be achieved. This article employs jacquard weaving to create an article with a central light colored area, surrounded by a dark border. Due to the jacquard process, the reverse side of the article is a dark colored central area surrounded by a light colored border. A

design can be printed in the light colored central area of the first side. The dark colored border surrounding the light central area is capable of masking any printed pattern that might overlap onto the border from the central area. This eliminates the need for precise alignment and monitoring that is mandatory in the preprinted filament process. Likewise, The dark central area on the reverse side of the article is capable of masking any potential bleed through of the printed design on the light colored central area of side one. This allows the applicant to apply the printed image so as to result in a graphic that is more intensely colored than woven articles that are limited to a single front and rear color. This scheme is present in claim 21, and is also further defined in claim 23.

In considering Claim 29 it calls for a textile having edges adjacent its periphery. Both Hobson and Carpenter have this feature.

Claim 29 continues by calling for a textile having first and second sides and again both Hobson and Carpenter have this.

Claim 29 calls for each side having a border adjacent said edges and surrounding a central area. Neither Hobson nor Carpenter have borders surrounding each edge of the towel and correspondingly, neither surround a central area.

Claim 29 calls for the graphic impression to be positioned only within the central area on one side. Neither Hobson nor Carpenter have this feature in that it is unclear to those skilled in the art where a central area is because there is no border that surrounds a central area. Accordingly one skilled in the art would not only be confused about where a central area might be, but would likewise be confused about where a graphic impression should be positioned.

The last 2 limitations of Claim 29 are with respect to the color of the border and the central area. Specifically, the border on the first side and the central area on the second side have a first color, while the central area on the first side and the border on the second side have a second color. Neither Hobson nor Carpenter teaches these limitations.

By utilizing the color scheme in claim 29, other objects of the invention can be achieved. This article employs jacquard weaving to create an article with a central light colored area, surrounded by a dark border. Due to the jacquard process, the reverse side of the article is a dark colored central area surrounded by a light colored border. A design can be printed in the light colored central area of the first side. The dark colored border surrounding the light central area is capable of masking any printed pattern that might overlap onto the border from the central area. This eliminates the need for precise alignment and monitoring that is mandatory in the preprinted filament process. Likewise, The dark central area on the reverse side of the article is capable of masking any potential bleed through of the printed design on the light colored central area of side one. This allows the applicant to apply the printed image so as to result in a graphic that is more intensely colored than woven articles that are limited to a single front and rear color. This scheme is present in claim 29, and is also further defined in claim 31.

At the middle of page 5, the Examiner states that in the present case the final product, i.e. a towel with graphic impression, would be produced whether the yarn was printed before weaving or the fabric is woven and then printed. While this statement by the Examiner is in effect trying to explain that product by process claims are looked at differently by the Patent Office, it does not mean that it is obvious to those skilled in the art that yarns that are printed before woven or fabric is woven and then printed are equivalent. In fact, if this were true, then at least one of Hobson in view of Carpenter ought to disclose this feature. The lack of prior art illustrating an invention in which the fabric is woven and then printed is surprising. All along, Applicant has been criticizing the application of Hobson and Carpenter relative to the present invention. Simply put, if this is the best prior art the Examiner can find relative to the present invention, the present invention sets forth many features not disclosed by these references which are relevant to the patentability of the claims as explained previously.

Attached table 1 sets forth the elements of both claims 21 and 29 and views these with respect to the rejection of Hobson vs. Carpenter.

Issue 2—The Applicant's Rule 132 Declaration dated March 31, 2003 was submitted for establishing the commercial success of the "Edge Towel" as indicia of nonobviousness.

The data and statements set forth in the Declaration supplied the Examiner with confidential and commercially sacred information concerning the sales of the Edge towel. From that it can be seen that in less than 3 years time, the Edge towel came to account for over 25% of Applicant's total revenue and over 20% of total pieces sold while never accounting for more than 1% of Applicant's total products. Additionally in the Declaration, Applicant submitted 2 letters that were written to industry competitors persuading them in light of this application to cease production of towels that were copied from Edge articles.

On page 2, paragraph 3 of the Final Rejection the Examiner states that the Affidavit under 37 C.F.R. 1.132 is insufficient to overcome the rejection because the Affidavit fails to provide hard evidence which established the claimed product fills a long felt need or resulted in commercial success. The Examiner makes a number of statements in responding to the Amendment that bridge pages 2 and 3 of the Office Action. These statements will be addressed one at a time, as set forth hereinafter.

The Examiner's first statement is "while the Applicant sets forth multiple statements related to the product's success and the Applicant's opinion why the product fills a long felt need, the Applicant fails to include any factual evidence which supports these statements".

First, why should actual evidence be needed? The Inventor has provided the original affidavit, which was notarized, and clearly stated therein that the Edge towel has enjoyed commercial success. If the Inventor lied, thus committing Fraud on the Patent

Office, the entire patent would be unenforceable. With this penalty in mind, the Inventor only made truthful statements. Is providing the Patent Office with factual data more probative evidence than the Inventor's own statements? Not according to *In re Tiffin and Erdman* cited in the remarks of Applicant's Response of November 20, 2002. With over 200 years of legal history in the U. S., it is clear that courts highly favor actual testimony, such as Affidavits, over raw factual data. Nevertheless, in spite of the above explanation, a Supplemental Affidavit supplying confidential sales and financial figures related to the Edge towel, as well as letters and various correspondence from competitors who clearly would like to, or have tried to knock off the present invention was submitted to the Examiner and is now part of the record.

In the next paragraph on page 2 of the Office Action, the Examiners states that Applicant needs to produce evidence such as market share or other factual evidence that would show how the towel has succeeded versus all competitors. The Examiner states that there is no evidence to show how successful the product has been in the market as compared to all competitors in the field. First, the U.S. towel industry is small. There is no trade association that can legally provide sales figures in the relevant industry. The textile market itself does have a trade association but it has no subgroup for towels. If Devant solicited sales data from its competitors – this would be an antitrust violation. And because no one wants to be involved in an antitrust violation, no one will provide such figures.

Second, the Examiner should know that the textile market did poorly in 2001 and 2002 as compared to 2000 (for sometime the US textile market has been relocating south of the border and to Asia due to cheaper production costs). Devant was no exception as its sales dropped 11.5%. On the other hand, the number of Edge products produced and sold increased greater than 5 times during this same period, and the same is true for its dollar sales figure. Assuming that all other competitors had down years, as Devant did, data submitted herewith clearly shows that the Edge towel was growing.

The Examiner further states that Applicant bears the burden of proof of establishing a nexus between the claimed invention and evidence of commercial success and that the success is due to the claimed invention. Other than the broad general statement, the Examiner has offered no specific and detailed comments that the Applicant has not already established the nexus between the claimed invention and the evidence of commercial success. The bear proof of this lies in the fact that the claims are narrow and specific to the Edge towel. The Edge towel covers each of the types of Edge towels set forth in the Supplemental Affidavit of success. The original Affidavit of success set forth the fact that it was created due to the inability and limitations of the jacquard process. Specifically the original Affidavit says that by weaving a jacquard woven perimeter and having a graphic impression added to the towel overcomes the prior obstacles of being able to use a limited number of colors in a linear band in a woven graphic impression. This and other limitations in the claims are the nexus.

Lack of any specific deficiencies listed by the Examiner is indicative of the fact that the Examiner must believe that the claimed invention and the evidence of commercial success are satisfactorily entwined.

In the sentence bridging pages 2 and 3 of the Office Action, the Examiner states that *Applicant's statement that the claimed subject matter solved the problem that was long standing in the art, while on the other hand lacking a showing that others of ordinary skill in the art were working on the problem and if so, for how long* is perhaps best answered by the Supplemental Affidavit previously submitted to the Examiner. While the Supplemental Affidavit does not state that others were working on this problem or that they even recognize the problem, the fact that the Edge towel has had so much commercial success, and in particular the fact that its sales have increased more than 5 fold in the years 2000 – 2002 indicate that the marketplace recognize the superior product and that there was a long felt need for this. The lack of evidence relative to what others of ordinary skill in the art were doing is only one of many factors the Examiner should consider in evaluating commercial success. If many other factors are present, and this one factor is not present, this does not demonstrate that there is a lack of commercial

success. Nowhere in the MPEP, nor in any case law is there an explanation as to what factors are minimally required for proving commercial success. Instead, the courts recognize, and the MPEP supports such, by suggesting that there are many factors which one can consider when evaluating commercial success.

The first full sentence atop page 3 of the Office Action, the Examiner says that there is no evidence that those skilled in the art knew of the teachings of the above-cited references and that they were still unable to solve the problem. On the other hand, there is no reason to suggest that they did not know of the prior art. And yet the present Inventor created the Edge towel. As set forth below, relative to the rejections, it is submitted that even if those skilled in the art knew of the teachings of the cited reference they would still not arrive at the claimed invention because the cited references do not disclose all the elements of the claimed invention. "Knowing the cited references" would not help those skilled in the art relative to the present invention.

On page 3, the Examiner states that evidence of infringement can be used to establish the long felt need was present in the marketplace. The Examiner states that Applicant has submitted no evidence detailing competitors trying to copy the invention. With the introduction of the Supplemental Affidavit, evidence is submitted to provide these details. As set forth in the Supplemental Affidavit, two of Devant's biggest competitors have copied the Edge towel, but were persuaded to stop because of this patent application. The first event was noted at the PGA (Professional Golf Association) show in early 2001 where Tommy Hilfiger voluntarily pulled its product on the first day of the show, after speaking with the Inventor about the Edge towel. The second event was the result of a conversation discussing Admanco's towel, and their voluntarily agreement not to sell their knock-off towel.

Accordingly it is submitted that the Rule 132 Declarations provide convincing evidence of the unobviousness of the invention.

TABLE 1

Claim 21	Hobson v. Carpenter
Weaving a towel on a Jacquard loom using at least 2 different colors.	Hobson teaches away from Jacquard loom, col. 2, line 18 Carpenter has Jacquard loom item 26
Such that a border having a 1 st color is woven adj. each edge on one side thereof.	Neither Hobson nor Carpenter has this.
And a border having a second color is woven adj. each edge of said towel on the other side.	Neither Hobson nor Carpenter has this.
Said towel having a central area woven within the borders on both sides.	There is a central area but no borders.
Said central area on other side is woven with 1 st color.	There is a central area but no borders.
Said central on said one side is woven in a 2 nd color.	There is a central area but no borders.
Forming a graphic impression in said central area on said one side.	Neither Hobson nor Carpenter has this.
Claims 22 – 27 not disclosed by Hobson & Carpenter.	Claim 28 – Hobson mentions shearing (Col. 2, line 33) not blooming.

Claim 29	Hobson v. Carpenter
A textile having edges adjacent its periphery.	Both have this.
Said textile having 1 st and 2 nd side.	Both have this.
Each side having a border adj. said edges and surrounding a central area.	Neither have this/Hobson has side edges not borders.
Graphic impression being positioned only within central area on 1 st side	Neither have this.
Said border on 1 st side & central area on 2 nd side having a 1 st color.	Neither have this.
Said centered areas on said 1 st side & said border on said 2 nd side having a 2 nd color.	Neither have this.

APPENDIX (37 C.F.R. §1.192(c)(9))

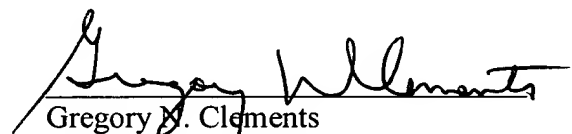
The claims on appeal appear as follows:

21. A towel (fig 1, ref# 10) having a graphic impression (fig 1, ref# 20 & 22), comprising: weaving a towel on a jacquard loom using at least two different colors of yarn, such that a border (fig 1, ref# 16) having a first color is woven adjacent each edge of said towel, on one side thereof, and a border having a second color (fig 1, ref# 18) is woven adjacent each edge of said towel on the other side, said towel having a central area woven within said borders on both said one side and said other side, said central area (fig 1, ref# 26) is woven with said first color on said other side, said central area (fig 1, ref# 18) is woven with said second color on said one side, and forming a graphic impression in said central area on said one side.
22. The product of claim 21, wherein said forming is by screen printing, image dyeing, digital imaging, or heat transferring.
23. The product of claim 21, wherein said border on said one side and said central area on said other side having said woven first color is a dark color, whereas said border on said other side and said central area on said one side is a light color.
24. The product of claim 23, wherein said graphic impression has at least two different colors, neither being said first nor said second color.

25. The product of claim 23, wherein said border shape is selected from the class of rectangular shape, circular shape, oval shape, square shape, and irregular shape.
26. The product of claim 25, wherein said border is solid or a pattern.
27. The product of claim 26, wherein said pattern is selected from the class consisting of stripes, dots, names, silhouettes of sport players, animal shapes, corporate logos, or university mascots.
28. The product of claim 21, wherein said towel is sheared and bloomed.
29. A textile having a graphic impression; said textile having edges about its periphery; said textile having first and second sides; each side having a border adjacent said edges and surrounding a central area; said graphic impression being only positioned within said central area on said first side; said border on said first side and said central area on said second side having a first color; and said central area on said first side and said border on said second side having a second color.
30. The textile of claim 29, wherein said textile is a towel.
31. The textile of claim 30, wherein said first color is a dark color border and said second color is a light color.

32. The textile of claim 30, wherein said border shape is selected from the class of rectangular shape, circular shape, oval shape, square shape, and irregular shape.
33. The textile of claim 30, wherein said border is solid or a pattern.
34. The textile of claim 33, wherein said pattern is selected from the class consisting of stripes, dots, names, silhouettes of sport players, animal shapes, corporate logos, or university mascots.
35. The textile of claim 29, wherein said textile is sheared and bloomed.
36. The textile of claim 30, wherein said towels are selected from the class of a bath towel, beach towel, kitchen towel, or a sport towel.

Respectfully submitted,



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